

# Arizona School Facilities Board

## Three-Year Building Renewal Plan Instructions

Fiscal Years 2007 – 2009

John Arnold  
Interim Director





**STATE OF ARIZONA**  
**SCHOOL FACILITIES BOARD**

Governor of Arizona  
Janet Napolitano

Interim Director  
John Arnold

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The State of Arizona has invested over \$1.3 billion dollars in deficiency correction projects over the last eight years. In order to protect and preserve the valuable public investment in Arizona's schools and continue to ensure that school buildings meet minimum adequacy standards, good asset management planning is vital. Districts must make a concerted effort to link their building renewal plans and available state and district resources to ensure that public resources are being spent wisely on priority issues that maintain the adequacy of school facilities.

Attached are instructions to aid school districts in using the newly developed web based three-year building renewal planning program. Each school district is required to submit a building renewal plan by October 15 of each year to meet the reporting requirements of A.R.S. §15-2031(F) and to receive its building renewal fund allocation. The School Facilities Board is required to withhold building renewal monies until the district has complied with the reporting requirement.

I hope that you find working with this year's newly developed web based application is an easy and enjoyable experience. As this is the first year of the web based application we welcome constructive criticism in an effort to improve our products and services.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Arnold", is written over a light blue horizontal line.

John Arnold  
Interim Director

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## BACKGROUND

### What statutes constitute the framework for the building renewal program?

Arizona Revised Statutes, Chapter 16 – School Capital Finance, Article 4 – Building Renewal provides the legal framework for the use and associated reporting requirements for building renewal funds. The following statutes or provisions of statutes provide the framework for a school district’s planning and use of building renewal funds.

#### A.R.S. § 15-2002—Powers and duties; executive director, staffing, report

##### *Subsection K*

By October 1, 2002, each school district shall develop routine preventative maintenance guidelines for its facilities. The guidelines shall be submitted to the school facilities board for review and approval by February 1, 2003. If upon inspection by the school facilities board it is determined that a school district facility was inadequately maintained pursuant to the school district’s routine preventative maintenance guidelines, the school district shall use building renewal monies pursuant to A.R.S. § 15-2031, Subsection J to return the building to compliance with the school district’s routine preventative maintenance guidelines. Once the district is in compliance, it no longer is required to use building renewal monies for preventative maintenance.

#### A.R.S. § 15-2031—Building renewal fund; definition

##### *Subsection B*

The school facilities board shall inventory and inspect all school buildings in the state in order to develop a database to administer the building renewal formula. The database shall include the student capacity of the building as determined by the school facilities board. The board shall distribute monies from the building renewal fund to school districts in an amount computed pursuant to subsection G of this section. A school district that receives monies from the building renewal fund shall use the monies primarily for any buildings in the database developed or created under subsection D of this section and secondly for any other buildings owned by the school district for any of the following:

1. Major renovations and repairs of a building.
2. Upgrading systems and areas that will maintain or extend the useful life of a building.
3. Infrastructure costs.
4. Relocation and placement of portable and modular buildings.

### *Subsection C*

Monies received from the building renewal fund shall not be used for any of the following purposes:

1. New construction.
2. Remodeling interior space for aesthetic or preferential reasons.
3. Exterior beautification.
4. Demolition.
5. The purchase of soft capital items pursuant to A.R.S. § 15-962, subsection D.
6. Routine maintenance except as provided in A.R.S. § 15-2002, subsection K and subsection J of this section.

### *Subsection F*

School districts that receive monies from the building renewal fund shall establish a district building renewal fund and shall use the monies in the district building renewal fund only for the purposes prescribed in subsection B of this section. Ending cash balances in a school district's building renewal fund may be used in following fiscal years for building renewal pursuant to subsection B of this section. By October 15 of each year, each school district shall report to the school facilities board the projects funded at each school in the previous fiscal year with monies from the district building renewal fund, an accounting of the monies remaining in the district building renewal fund at the end of the previous fiscal year and a comprehensive Three-Year plan that details the proposed use of building renewal monies. If a school district fails to submit the report by October 15, the school facilities board shall withhold building renewal monies from the school district until the school facilities board determines that the school district has complied with the reporting requirement. When the school facilities board determines that the school district has complied with the reporting requirement, the school facilities board shall restore the full amount of withheld building renewal monies to the school district.

### *Subsection H*

If the school facilities board determines that a school district has spent monies from the building renewal fund for purposes other than those prescribed in subsection B of this section, the school facilities board shall notify the superintendent of public instruction. Notwithstanding any other law, the superintendent of public instruction shall withhold a corresponding amount from the monies that would otherwise be due the school district under the capital outlay revenue limit until these monies are repaid.

#### *Subsection J*

Notwithstanding subsections B and C of this section, a school district may use eight (8%) percent of the building renewal amount computed pursuant to subsection G of this section for routine preventative maintenance. The board, after consultation with maintenance specialist in school districts, shall provide examples of recommended services that are routine preventative maintenance.

#### *Subsection K*

A school district that uses building renewal monies for routine preventative maintenance shall use the building renewal monies to supplement and not supplant expenditures from other funds for the maintenance of school buildings.

#### *Subsection L*

“Routine preventative maintenance” means services that are performed on a regular schedule at intervals ranging from four times a year to once every three years and that are intended to extend the useful life of the a building system and reduce the need for major repairs.

### **THREE-YEAR BUILDING RENEWAL PLAN**

#### **What is the purpose of the building renewal plan?**

The purpose of the Three-Year Building Renewal Plan is to comply with State statutes by projecting the school district’s major maintenance projects over a three-year period, describing the scope of each project for each year estimating the construction, design, and contingency costs and scheduling which fiscal year the construction cost is planned.

Every major building component of a facility has an expected “useful life cycle.” An example is that most roofs if properly maintained should last approximately twenty (20) years. If a school building was constructed in 1988 and the normal life cycle for the roof is twenty years, it will probably be necessary to re-roof the building sometime around 2008. It is important to understand that “useful life cycles” are not necessarily an exact period of time. A “twenty year warranty” roof may last 20-30 years if properly maintained. Conversely, a “twenty year warranty” roof may last only 10-15 years if not properly maintained. Useful life is not an exact period of time and is best used as a guideline.

## What is the process to develop the three-year building renewal plan?

**Step 1:** The school district may begin by assessing the useful life cycle of each major component within the first seven major preventative maintenance categories. List the date of either the original construction/installation or the date of the last major renovation/replacement. Next list the estimated date for the conclusion of the life cycle.

Each category is broken down into a number of major components.

### Major Preventative Maintenance Categories and Respective Components

1. HVAC	2. Roofing	3. Electrical	4. Plumbing
<div style="border: 1px solid black; height: 15px; width: 100%;"></div> Components			
H1 Boilers	R1 Drainage	E1 Dimmer System	P1 Water Heater
H2 Chillers	R2 Flashing/Roof Jacks	E2 Emergency Genarator	P2 Backflow Preventer
H3 Cooling Towers	R3 Flat Roof System	E3 Lighting	P3 Disposal/Lift Systems
H4 Fan Coils/Fans	R4 General Roof System	E4 Magnetic Starters	P4 Domestic Water
H5 Heat Pumps	R5 Penetrations	E5 Switch Gear/Disconnect	P5 Fixture/Valves
H6 Heating Systems	R6 Tile/Wood/Shingle	E6 Switches/Recepticles	P6 Gas System
H7 Package Refrigeration		E7 Transformers	P7 Septic System
5. Surfaces	6. Special Systems	7. Special Equipment	8. General Renovation
S1 Block/Brick/Concrete	SS1 Intrusion Alarm	SE1 Bleacher Seating	Major renovation includes multi categories
S2 Carpet	SS2 Emergency Lighting	SE2 Doors & Windows	
S3 Ceiling Tile	SS3 Energy Management	SE3 Elevators/Lifts	
S4 Ceramic Tile	SS4 Fire Alarm System	SE4 Kilns/Foundry	
S5 Drywall/Wall Coverings	SS5 Intercom/PA System	SE5 Kitchen Equipment	
S6 Asphalt	SS6 Network System	SE6 Lockers	
S7 VCT Tile	SS7 Sprinkler System	SE7 Stage Rigging	
S8 Wood	SS8 Stage Lighting		

**Step 2:** Identify what major components are expected to reach the end of their respective useful life cycle for the next three-year period.

**Step 3:** Determine the scope of the anticipated work that will be necessary when a “useful life cycle” appears to be ending, and the estimated costs to repair, renovate or replace the component. In determining the project scope, quantify the items to be repaired, renovated or replaced. Then determine the unit cost to repair, renovate or replace the items. The Three-Year Building Renewal Plan is updated annually by the District. Most Districts completed a Five Year Building Plan for FY 2005. School Districts should evaluate their FY 2005 Building Renewal Plan prior to preparing their FY 2007-FY 2009 Building Renewal Plan.

**Step 4:** Schedule the building renewal projects by fiscal year in accordance with the funding available for each fiscal year. This can include other District fund sources as well. A separate area on the Project Detail Form is provided for projects planned with other than state appropriated building renewal funds. Reporting on these projects is totally at the discretion of the School District and is not required by School Facilities Board.

**Step 5:** Enter plan into the web-based Building Renewal program and submit to the School Facilities Board no later than October 15, 2006.

### **How do I use the new web-based Building Renewal program?**

#### **Getting started**

To access the building renewal program, users must go to the School Facilities Board website at <http://www.azsfb.gov/BuildingRenewalPlan.asp>. Users will then select their district and go to the “BR Plan Submission” link along the top. Users can then begin to enter a three-year building renewal plan.

#### **Overview**

The Three-Year Building Renewal Plan consists of planned renovation projects, listed by school, by building, by category, by fiscal year, and by funding type—district funded and/or School Facilities Board funded. The School Facilities Board has developed a web-enabled application that replaces the Excel spreadsheets from prior year submittals. All districts are required to use the web-enabled application. The School Facilities Board staff believes that this newly automated tool will provide districts greater ease and convenience in preparing and submitting the plan to the School Facilities Board. The database is divided into three main areas: 1) Building Renewal Plan Summary 2) Project Detail Summary and 3) Project Detail Form.



## Building Renewal Plan Summary

The Building Renewal Plan Summary is intended to summarize the three-year plan for the entire district. It displays the SFB building renewal budget, project expenditures, preventative maintenance allocation, future project savings, and carry forward balance to the next fiscal year. Additionally, the summary includes an ending balance budget field that will allow users to check on what is available to be allocated as the plan is in development. The Building Renewal Plan Summary also has a school listing so users can select what school for which they want to develop a plan.

**Building Renewal Plan Summary**  
Cave Creek Unified District

Reporting Year: 2007 - Currently Due

**Building Renewal Summary**

	FY 2007	FY 2008	FY 2009
SFB Funds Carry Forward	\$123,896.00	\$642.18	\$1,858.43
SFB Funds BE Allocation	\$293,807.00	\$199,836.00	\$446,953.29
SFB Funds Total Project Expenditures	\$174,800.00	\$120,300.00	\$171,800.00
PM Allocation of Expenses	\$43,305.00	\$47,332.47	\$11,796.26
Future Project Allocation	\$25,000.00	\$20,000.00	\$25,000.00
SFB Funds Ending Balance	\$642.18	\$1,758.43	\$22,647.44

**School Listing**  
SFB Funds Only  
Click on a School To view project list

	FY 2007	FY 2008	FY 2009
Black Mountain Elementary School	\$271,800.00	\$201,800.00	\$239,000.00
Cactus Shadows High School PCH	\$0.00	\$0.00	\$0.00

Enter any unobligated carry forward balance for past fiscal years building renewal. The carry forward in out years is the building renewal budget less the project expenditures, preventative maintenance allocation, and future project allocation.

The FY 2007 Building Renewal Budget is preloaded for each district according to the money appropriated by the Arizona State Legislature. The FY 2008 and FY 2009 budgets are based upon the statutory building renewal formula.

Total Project Expenditures is a summary of all SFB Funds for all the schools and all projects within each school.

A.R.S.§15-2031 Subsection J allows a school district to use 8% of the building renewal amount for routine preventative maintenance. Districts should select this link to enter the amount it plans to use for preventive maintenance for each of the three fiscal years. The cannot be greater than 8% of the respective fiscal year building renewal formula.

Users select a school to enter building renewal projects for that school/building.

As projects are created, users can monitor the available ending balance to help monitor data entry. **NEGATIVE BALANCES ARE NOT ALLOWED.**

Future project allocations represent the amount of money a district is saving for projects outside the FY 2007 to FY 2009 three-year building renewal window.

## Project Detail Summary

The Project Detail Summary Form displays the project, category, and funds for each fiscal year that relate to the selected school. Each project has an identification number, which is intended to be an automated assigned unique numeric identifier for each project. In addition, this form delineates the future projects planned for the school by project title, category, estimated completion year, and SFB funds saved toward the future project.

Click Here to Create a NEW Project

ID	Project	Category	2007	2008	2009
8	Replace Roofing	Roofing	\$0.00	\$0.00	\$30,000.00
9	Replace HVAC Systems	HVAC	\$0.00	\$300,000.00	\$0.00
10	Replace Chiller	HVAC	\$0.00	\$0.00	\$250,000.00
11	Special Systems	HVAC	\$275,000.00	\$0.00	\$0.00
12	Replace Lighting	Electrical	\$22,000.00	\$0.00	\$0.00
13	Replace Septic System	Plumbing	\$74,800.00	\$0.00	\$0.00
14	Replace Boiler	HVAC	\$0.00	\$190,300.00	\$0.00
40	Replace parking lot	Surfaces	\$0.00	\$0.00	\$165,000.00
44	Replace kitchen	Special Equipment	\$0.00	\$0.00	\$121,000.00
Total Project Budget:			\$371,800.00	\$529,300.00	\$535,000.00

Future Projects

Project Title	Project Category	Estimated Completion Year	Total Value of Project
Replace chiller	HVAC	2010	\$250,000.00

Click here to create a new project, including future projects that will likely be completed outside the three-year planning window.

**Helpful Hint:** There is one project per fiscal year. A single project cannot contain multi-year expenditures. If a project requires funding in more than one year, please use the same project title followed by the fiscal year or implementation phase. For example, roof replacement—Phase I, roof replacement—Phase II.

To edit an existing project that has already been saved, click on the project.

Future Projects are summarized by project title, project category, estimated completion year, and the total value of the project. The total value of the project is the summation of all years where money is saved for future use—up to 20 years.

To edit an existing future project that has already been saved, click on the project title.

## Project Detail Form

The Project Detail Form is the heart of the automated system and where the primary data input is involved. Users will be spending the majority of their efforts in this part of the application. A planned building renewal project is a construction project (except preventive maintenance) that is in conformance with A.R.S. § 15-2031, subsection B. The project will typically address major renovations, repairs, and or replacement of building system components that will maintain or extend the useful life of the building. The school district shall provide a cost estimate for each building renewal project planned for each year of the three-year plan – FY 2007, FY 2008, and FY 2009.

The screenshot shows a web browser window displaying the 'Building Renewal Project Detail Form'. The form is titled 'District Access' and 'Building Renewal Project Detail Form'. It contains several sections for data entry:

- Project ID:** A numeric identifier.
- Project Title:** A text field for the project name.
- Project Description:** A large text area for a detailed description.
- Future Project:** Radio buttons for 'To be completed in more years than now' and 'To be completed within 3 years'.
- Category:** A dropdown menu.
- Sub Category:** A dropdown menu.
- Project Budget Year:** A dropdown menu.
- Fiscal Year:** A dropdown menu.
- Funding Sources:** Multiple rows for 'District Funding', 'SFB Funding', and 'Total'. Each row includes fields for 'Construction', 'Design', 'Contingency', and 'Total', along with a 'Calculated % of Construction Cost'.
- Project Estimate:** A field at the bottom for the total project estimate.

ID – an automated assigned unique numeric identifier for each project

Enter a project title. Users should select a title that when used in isolation will adequately describe the nature of the project.

Enter a project description. **The description of the projects along with the method used to determine the cost should be listed in the project description.** For each planned building renewal project, the school district should list the scope of the project, the units to be replaced or repaired, the unit cost and the total cost of the project.

Determine whether the project is a future project or a current project within the three-year plan. If future project is selected, the screen will change and require fiscal year information beyond FY 2009. The amounts entered indicate the amount of money being saved for a future project.

Projects can contain two sources of funding—SFB building renewal funding or district funding. Please note that the Building Renewal Summary and Project Detail Summary pages only reflect the SFB funding. However, reports will be designed for districts to delineate the district contribution to the project as well.

Categories and Sub Categories. Building renewal projects will be classified into nine categories, including eight maintenance categories and one for future projects. The first seven categories are the same categories used in each school district's preventive maintenance plan and are as follows: 1)HVAC, 2) Roofing, 3) Electrical, 4) Plumbing, 5) Surfaces, 6) Special Systems, 7) Special Equipment, 8) General Renovation and 9) Future Projects (building renewal funding saved for future expenses). Each category has sub categories that need to be associated.

Building Renewal Plan Summary > Project Detail Summary > Project Detail Form

DO NOT use these links if you have made changes to data on this form. Use the save button at the bottom of the form instead.

Project ID: 40  
 Project Title: Classroom Renovation  
 Project Description: Classroom room on Building A  
 Project Category: Classroom  
 Sub-Category: Classroom Renovation  
 Project Budget Year: 2007  
 Fiscal Year: 2007

District (Non-SFB) Funds Applied to this project

District Funded Construction:	10000	Enter Construction Cost
District Funded Design:	2000	Enter Design Fees
District Funded Contingency:	1000	Calculated 10% of Construction Cost
District Total:	13000	Calculated Contingency + Design + Construction

SFB Funds Applied to this project

SFB Funded Construction:	2000	Enter Construction Cost
SFB Funded Design:	1000	Enter Design Fees
SFB Funded Contingency:	2000	Calculated 10% of Construction Cost
SFB Total:	5000	Calculated Contingency + Design + Construction

Grand Total Project Estimate: 18000

**Fiscal Year** – The Three-Year Building Renewal Plan is divided into three consecutive fiscal years for planning purposes. A fiscal year shall be defined as the period beginning on July 1 of each year and running until June 30 of the next year.

Always round your total project estimate to the nearest \$100.

Funding is broken out into two parts 1) District funds, which are not provided by the School Facilities Board and 2) Building renewal funds. For FY 2007, the building renewal funds are the amount appropriated by the state legislature. For FY 2008 and FY 2009, they are the amount generated by the statutory building renewal formula.

The funding is required to be divided into construction and design. If districts have testing and permitting fees they should be accounted for in the construction cost field.

A contingency amount of 10% will automatically be calculated off of the funding entered for construction costs. The contingency factor is set up to cover cost overruns on planned projects and unforeseen emergency projects if required. If a district is not required to use contingency funds for a planned or emergency project during the fiscal year, the district may elect to carry these funds forward to the next year or advance a planned building renewal project from the either FY 2008 or FY 2009.

A district total and SFB total will also automatically be calculated as well as a grand total project estimate.

**Helpful Hint:** Please note that only SFB dollars will post to the Project Detail Summary and Building Renewal Summary portions of the web application. Additional reports will be written so districts can print project information that includes district funding contributions.



Building Renewal/Plan Project Detail Form - Microsoft Internet Explorer

Address: <http://www.sfb.gov/af/bldg/bldgPlanProjectDetail.asp?projectSFBCTID=070290000ProjectID=40>

Building Renewal Funds Applied to this project

SFB Funded Construction: 25,901 Enter Construction Cost

SFB Funded Design: 11,901 Enter Design Fees

SFB Funded Contingency: 2,500 Calculated: 10% of Construction Cost

SFB Total: 40,302 Calculated: Contingency + Design + Construction

Grand Total Project Estimate

Project Estimate: 172,583 Calculated: Divided Total + SFB Total

Buildings Included in Project

- ☒ Building A
- ☐ Building B
- ☐ Building C
- ☐ Building D
- ☐ Building E
- ☐ Building F
- ☐ Building G
- ☐ Building H
- ☐ Building I
- ☐ Building J
- ☐ Building K
- ☐ Building L

Save Delete Cancel

After a project is entered it must be saved.

A project can be deleted by selecting the delete button. The users will see a reminder prompt asking "are you sure you want to delete this current project?"

Each building, for each school, for each school district is listed in the School Facilities Board Building Inventory. Once a school is selected on the Building Renewal Summary Form, and a project is created or selected on the Project Detail Summary Form, the buildings associated with each school are displayed. Each project should detail which building(s) will be impacted.

Users can select more than one building. If a planned building renewal project has multiple school sites, a project should be created that reflect the proportional project amount for each school site.

### **How do I print a copy of my building renewal plan once I have entered it into the web application?**

The system currently has limited reporting capabilities as part its application. The School Facilities Board intends to design some additional reports after the release of the instructions and web enabled application. Districts will submit their plan electronically to the School Facilities Board. However, reports were created so districts can print paper copies of their plans for their files or to share with other facilities staff, superintendents or school board members. Each school district should utilize the reports to review and approve their submittal prior to its electronic transmission to the School Facilities Board no later than **October 15, 2006**.

### **How do I submit my plan to the School Facilities Board?**

The building renewal plan is due to the School Facilities Board by **October 15, 2006**. Please note that once the plan is electronically submitted, the district can no longer make changes to the plan. As such please review the plan carefully and get the proper approvals before transmitting the information to the School Facilities Board.

The School Facilities Board disperses building renewal money in two installments – November 2006 and May 2007. If a school district fails to submit the report by October 15, the school facilities board is required by law to withhold building renewal monies from the school district until the School Facilities Board determines that the school district has complied with the reporting requirement.

### **Who do I call if I need help?**

If you have questions, you may contact your School Facilities Board Liaison listed below.

Dean Gray	(602) 542-6143
Mike Barfield	(602) 364-0859
Gerry Breuer	(602) 542-6139
Sameer Pandy	(602) 364-1193
Donna Wildey	(602) 542-6667